

# Prioritizing and Implementing Private Forestland Recommendations

- **MN Statutes 2012, Chapter 272 – section 92**
- **Sec. 92. FOREST RESOURCES COUNCIL STUDY.**

By January 15, 2013, the Forest Resources Council shall submit a report to the environment and natural resources policy and finance committees and the tax committees of the house of representatives and senate on the status of private forest land management and the policy of the state to promote healthy and robust forests. The study shall evaluate existing and potential financial incentives for private forest land management and include recommendations for state policies that will ensure that private forest lands are sustainable and continue to contribute to Minnesota's economic vitality as well as provide access to the public to hunting and fishing resources.

# Policy Priorities

- Improve and stabilize reliable tax programs affecting private forestland, recognizing the many benefits provided by large and small forest owners
- Increase efforts to reach landowners
- Maintain financial incentives, but improve effectiveness and efficiency
- Support the continued use of conservations easements, including consistent tax treatment
- Increase the service delivery capacity to private woodland owners
- Support landscape scale management programs

# Regional Priorities

- Improve and stabilize reliable tax programs affecting private forestland, recognizing the many benefits provided by large and small forest owners (4.5)
- Increase efforts to reach landowners (4.0)
- Increase the service delivery capacity to private woodland owners (4.0)
- Maintain financial incentives, but improve effectiveness and efficiency (3.5)
- Support landscape scale management programs (3.2)
- Support the continued use of conservations easements, including consistent tax treatment (3.0)

# Related Legislative Outcomes

- Sustainable Forest Incentive Act (SFIA)
  - Eliminate payment cap
  - Rapid reenrollment
- Consistent treatment of conservation easements for property tax valuation
  - Value will not be reduced

# Sort by recipient

- Enhance and modify the Sustainable Forest Incentives Act (SFIA) – **Legislature**
- Enhance and modify the 2C property tax classification – **Legislature**
- Make tax programs more effective and efficient – **MN-DNR, MN DOR**
- Consider a two-tiered preferential property tax program – **MFRC, UMN**
- Integrate tax policy with local planning- **Local governments, MN DOR**

# Improve and Stabilize Reliable Tax Programs

- Enhance and modify the SFIA by:
  - Removing the cap from the SFIA program
  - Allowing recently removed acres to re-enroll
  - More clearly defining rules for transfer of ownership within SFIA
  - Increasing the penalties for early removal of lands
  - Consider changing the administrative responsibilities to outside of DOR
- Enhance and modify the 2C property tax program
  - Making the 2C class rate comparable to ag lands
  - Removing the acreage cap

# Improve and Stabilize Reliable Tax Programs

- Make tax programs more effective and efficient by:
  - Targeting outreach to those areas where the payments or tax savings will discourage loss of forestland and associated benefits, and recognize the different needs of large versus small landowners
  - Education assessors regarding the benefits of preferential property tax programs
- Consider a modified preferential property tax program using a two-tiered approach, such as the Wisconsin approach, allowing for greater tax deduction
- Integrate tax policy with local planning by making preferential property tax treatment of forestlands under SFIA and other programs at least partially dependent on adoption of exclusive forest use zoning or a comparable program



# Increase Efforts to Reach Landowners

- Actively market programs to encourage active and sustainable forest management
- Improve content and provide consistent delivery of education programs
- Develop communications materials that are easy to comprehend
- Foster opportunities for more peer-to-peer networking and engagement
- Create new tools for educating the next generation of landowners about forests and the environment

# Maintain Financial Incentives to Landowners

- Require a written management plan for any financial assistance
- Link financial incentives directly to stewardship activities
- Offer estate planning guidance to landowners
- Increase market opportunities for traditional forest products, renewable energy and ecosystem services
- Increase aid to landowners in combating invasive species

# Support the Continued Use of Conservation Easements

- Encourage consistent tax treatment across the state for lands with conservation easements
- Address the need to properly value various benefits, such as open access, ecosystems and services
- Encourage a state income tax credit for the donations of conservation land and easements
- Encourage the continued use of LSOHC funds for forest easements, as well as new funding for private forest management in critical areas

# Increase the Service Delivery Capacity

- Maintain DNR-Forestry PFM program as the primary coordinating agency for private forest management
- Increase the funding and availability of one-on-one technical assistance
- Engage private forest consultants at the policy level

# Support Landscape Scale Management Programs

- Overall, encourage integrated service delivery between the broad range of agencies and organizations that serve private woodland owners to make delivery of their programs better coordinated, simpler and less costly in processing and less time consuming
- Enter into a new memorandum of understanding between the MFRC, MN DNR and other agencies to promote and implement landscape stewardship (i.e. NRCS, USFS, MN DNR, MFRC, BWSR, MASCD, MACF, UMN Extension, MFA)
- Encourage the expanded involvement of BWSR and NRCS in landscape management

# Support Landscape Scale Management Programs

- Support increasing RC&D capacity to serve as grant writers, grant administrators and fiscal agents on forestry projects being developed by the regional MFRC committees
- Create a Working Landscape Team for the forested regions of the state supporting the implementation of sustainable forestry projects at a local level
- Support the continued investment of clean water funds through the DNR-Forestry PFM program to support the development and implementation of water quality/forestry projects through the partnerships supported by the MFRC regional committees.

# Top Regional Recommendations

1. Maintain DNR-Forestry PFM program as the primary coordinating agency for private forest management.
1. Improve content and provide consistent delivery of education programs.
3. Increase the funding and availability of one-on-one technical assistance
4. Encourage the continued use of LSOHC funds for forest easements, as well as new funding for private forest management in critical areas.
5. Improve and stabilize reliable tax programs affecting private forestland recognizing the many benefits provided by large and small landowners.

# Least important regional recommendations

1. Support increasing RC&D capacity to serve as grant writers, grant administrators and fiscal agents on forestry projects being developed by the regional MFRC committees
2. Encourage the expanded involvement of BWSR and NRCS in landscape management
3. Integrate tax policy with local planning.
4. Consider two-tiered property tax approach, encouraging public recreational access
5. Offer estate planning guidance to landowners.



# Prioritization criteria

- Size of impact
- Amount of resources required
- Capacity/Ability to carry out
- Likelihood to achieve goals (effectiveness)
- Does it require statute/rule changes
- Measurable outcomes
- Politically palatable
- Equity/Fairness
- Sustainability over the long haul

# Seeking additional input

- Which are top priority? No-brainers? Low hanging fruit?
  - Which are not worth spending a lot of time on?
  - What are the most important criteria?
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- IMC will be further vetting, using your input to formulate an implementation plan.